



M E M O R A N D U M

TO: Interested Parties  
FROM: David Kronsteiner, President  
DATE: January 13, 2020  
SUBJECT: Port of Coos Bay Commission Meeting Notice

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The **Board of Commissioners** of the Oregon International Port of Coos Bay will hold its Regular Commission Meeting at **6:30 p.m., Tuesday, January 21, 2020**, in the Port's Commission Chambers, located at 125 West Central Avenue, Suite 230, Coos Bay, Oregon 97420.

An **Executive Session** has also been scheduled on **Tuesday, January 21, 2020, immediately after the Commission Meeting**, in the Port's Commission Chambers, located at 125 West Central Avenue, Suite 230, Coos Bay, Oregon 97420, as authorized under ORS 192.660(2), to:

- (b) consider the dismissal or disciplining of a public officer, employee, staff member or individual agent, or hear complaints or charges brought against such a person if that person does not request an open hearing;
- (e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;
- (h) consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed;
- (i) review and evaluate the job performance of a chief executive officer, other officers, employees and staff, if the person whose performance is being reviewed and evaluated does not request an open hearing; and
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.

DK/km

**OREGON INTERNATIONAL PORT OF COOS BAY  
REGULAR COMMISSION MEETING  
6:30 p.m., Tuesday, January 21, 2020**  
Port Commission Chambers, 125 West Central Avenue, Suite 230, Coos Bay, Oregon 97420

**T E N T A T I V E   A G E N D A**

**1. CALL MEETING TO ORDER**

**2. INTRODUCTION OF GUESTS AND PORT STAFF**

- A. Act of Heroism Recognition.....Curtis Green, Russell Marine Fuel
- B. Presentation of 2018/19 Annual Financial Report.....Amanda McCleary-Moore, Moss Adams

**3. PUBLIC COMMENT**

**4. CONSENT ITEMS**

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- A. Approval of December 16, 2019 Regular Commission Meeting Minutes ..... 4
- B. Approval of December 23, 2019 Emergency Commission Meeting Minutes ..... 9
- C. Approval of December Invoices..... 11
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**5. MANAGEMENT REPORTS**

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**6. ACTION ITEMS**

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- A. 2018/19 Annual Financial Report ..... Megan Richardson, 29

**7. OTHER**

**8. INFORMATION ITEMS**

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- A. Coos Bay Rail Revenue Car Loads – December 2019 ..... 32

**9. COMMISSION COMMENTS**

**10. NEXT MEETING DATE – TBD (Monday, February 17, 2020 is a holiday)**

**11. RECESS TO EXECUTIVE SESSION**

**12. ADJOURN**

# Consent Items

**DRAFT**  
**OREGON INTERNATIONAL PORT OF COOS BAY**  
**Coos Bay, Oregon**  
**REGULAR COMMISSION MEETING**  
**6:30 p.m., Monday, December 16, 2019**

Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

**ATTENDANCE**

**Commission:**

David Kronsteiner, President; Eric Farm, Vice President; Brianna Hanson, Treasurer; and Bob Garcia, Secretary.

**Staff:**

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Mike Dunning, Director of Maritime Operations; Patrick Kerr, Director of Rail Operations; Brandon Collura, Charleston Harbormaster; Margaret Barber, Director of External Affairs; Fiona Bai, Marketing Media Specialist; Jake Jacobs, Director of Infrastructure Support Services; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

**Media & Guests:**

Maeora Mosieur, Tribal One.

**1. CALL MEETING TO ORDER**

President Kronsteiner called the meeting to order at 6:30 p.m.

**2. INTRODUCTION OF GUESTS AND PORT STAFF**

**3. PUBLIC COMMENT**

**4. CONSENT ITEMS**

- A. Approval of October 21, 2019 Regular Commission Meeting Minutes
- B. Approval of October and November Invoices
- C. Approval of October and November Contracts Awarded

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners voted to approve the October 21, 2019 Regular Commission Meeting Minutes, October and November Invoices, and October and November Contracts Awarded. **Motion Passed.**

**5. MANAGEMENT REPORTS**

All Management Reports were included within the Meeting Packet.

## 6. ACTION ITEMS/REPORTS

### A. **2019Res16: Amendments to Port Personnel Policy 14.9**

During the 2019 Oregon Legislative Session, Governor Kate Brown signed Senate Bill 479, requiring all public employers to have a written workplace harassment and investigation policy in place with specific provisions by January 1, 2020.

The Port's existing workplace harassment policy, Port Personnel Policy Section 14.9: Non-Discrimination and Anti-Harassment/Violence, was originally approved by the Board of Commissioners in March 2007 and most recently amended in April 2017 to reflect best practices and changes in laws.

Following a template policy provided by HR Answers (an HR consulting firm), Section 14.9 has once again been revised to meet the requirements as outlined in Oregon Senate Bill 479 and has been reviewed and edited by Port Staff and Port's legal counsel before being presented to the Port Commission. The red lined tracked version of the changes, as well as a clean draft version of the recommended revisions, were included within the packet.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve Resolution 2019Res16 authorizing the amendments to Port Policy Manual Chapter 14: Personnel Policy Section 14.9: Non-Discrimination and Anti-Harassment/Violence to reflect the new policy requirements as outlined in Oregon Senate Bill 479. **Motion Passed.**

### B. **2019Res17: Renaming of Port Policy Manual Chapter 10**

As the Port acquires operating equipment which may require policies regarding safety, care, and use, Port Staff found it necessary to rename Chapter 10 of the Port Policy Manual from "Vehicles/ Vehicle Use" to "Vehicles and Equipment".

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve Resolution 2019Res17 renaming Port Policy Manual Chapter 10 from "Vehicles/ Vehicle Use" to "Vehicles and Equipment". **Motion Passed.**

### C. **2019Res18: Adoption of Unmanned Aerial System Management Policy**

Unmanned Aerial Systems (UAS) are a rapidly growing and important part of many types of organizations, including ports. Whether inspecting infrastructure, capturing marketing media or mapping geography, UAS are an effective, safe and affordable way to improve an organization's capabilities.

A UAS policy gives structure to the management of the UAS activity. The overall purpose is to promote safe, efficient and lawful operation of UAS by authorized Port employees and third-party operators. Safety for all parties involved with commercial UAS operations is the number one priority. In addition, not having a UAS policy for commercial drone operations can expose the Port to safety and liability risks.

The policy establishes a standard process and lists out roles and responsibilities, providing clarity on UAS related regulations, transparency, accountability, and ability to share best practices across the organization. It also outlines an internal process for internal UAS requests, equipment care, safety requirements, and training. The last part of the policy addresses external stakeholders ensuring privacy protection and addressing regulations for third party UAS operations on or above Port property.

As UAS operations continue to grow, an established policy gives the Port and its stakeholders protection as well as serving as a starting point to address the inevitable changing Oregon Department of Aviation and Federal Aviation Administration regulations on this matter.

Policy 10.3 has been reviewed and edited by Port Staff and Port’s legal counsel before being presented to the Port Commission. The draft policy was included within the packet.

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners motioned to approve Resolution 2019Res18 adopting Port Policy 10.3: Unmanned Aerial System (UAS) Management. **Motion Passed.**

**D. 2019Res19: 2020 RV Park Rates**

As part of the annual budget process, the Marina Complex rates are reviewed each year and may be adjusted by the Consumer Price Index (CPI) and/or by market analysis. Each year staff surveys the rates and schedules of comparable facilities for comparisons.

RV Park rates are evaluated in December of each year to better serve our summer customers. This ensures that our long-term summer customers do not experience an unknown rate adjustment mid-season.

Port Staff compared similar RV Parks in the region and found the Port’s daily, weekly and monthly rates continue to be below the market average. Port Staff recommends a variable rate adjustment of 3-5% per category rounded to the nearest whole dollar based on market analysis.

The proposed changes are set forth in the table below:

Rate Type	2019 Rates	Recommended for 2020
Daily - Back In	\$37.00 reg. \$39.00 deluxe	\$39.00 reg. / \$41.00 deluxe
Daily - Pull Thru	\$41.00	\$44.00
Weekly - Back In	\$209.00 reg. / \$221.00 deluxe	\$215.00 reg. / \$228.00 deluxe
Weekly - Pull Thru	\$234.00	\$241.00
Monthly - Back In	\$546.00 reg. / \$577.00 deluxe	\$573.00 reg. / \$606.00 deluxe
Monthly - Pull Thru	\$608.00	\$638.00
Yurts - Daily	\$53.00	\$55.00
Yurts - Weekly	\$252.00	\$260.00

Pursuant to Port Policy, the Rate Schedule must be modified by resolution of the Port Commission. Upon Commission approval of the resolution, the revised Charleston Marina 2019/20 Rate Schedule, which was included in the meeting packet, will be republished with an effective date of January 1, 2020.

Commissioner Hanson asked how far from market value the rates are currently. Brandon Collura stated the daily rate is close, while other areas are about 3-10% behind. Weekly rates are anywhere from 3-15% lower than market, and monthlies are as much as 20-25% percent lower than other neighboring facilities, such as the Mill Casino RV Park. An aggressive rate increase would effect the customer base in a negative way, and is not recommended.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve Resolution 2019Res19 revising the Charleston Marina 2019/20 Rate Schedule for the RV Park. **Motion Passed.**

**E. Bandon Pacific Dock Lease**

Bandon Pacific has leased the Lazio Dock in Charleston for the past 30 years. The existing lease is set to expire December 31, 2019. Port staff worked with Bandon Pacific to conduct market research to determine a new lease rental rate reflective of the market and value of the dock which will represent a 40% increase in annual rental payments. The new lease agreement has a one-year initial term, with nine one-year renewal terms. The new lease agreement requires that the Tenant be responsible for the maintenance of the dock system and the authorized dredge prism, as well as a portion of the cost to maintain Alaskan Packers Road.

Commissioner Garcia asked if the rates had been set for the 30 years of the previous lease. Margaret Barber stated the previous lease was set up differently, with an escalator that took effect every five years. The new agreement will include a CPI Adjustment each year. President Kronsteiner asked if there are specifics on the maintenance requirements for the dock and the road. Ms. Barber stated that Bandon Pacific will assume all maintenance responsibilities for the dock. Maintenance of the road will be shared by all tenants utilizing the road; Bandon Pacific's portion will be 20% based on their usage and position on the road. President Kronsteiner asked whether the dredge prism will be addressed on an annual basis. Ms. Barber stated that area doesn't need to be dredged each year, so it will be addressed when the time comes.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to provide conditional approval to enter into a new lease agreement with Bandon Pacific for the Lazio Dock in Charleston. **Motion Passed.**

**7. OTHER**

**8. COMMISSION COMMENTS**

**9. NEXT MEETING DATE – Tuesday, January 21, 2020 at 6:30 p.m.**

**10. ADJOURN**

President Kronsteiner adjourned the meeting at 6:44 p.m. and entered into Executive Session to:

- (d) conduct deliberations with person designated by the governing body to carry on labor negotiations;
- (e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;
- (g) consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;
- (h) consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed; and
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.



**DRAFT**  
**OREGON INTERNATIONAL PORT OF COOS BAY**  
**Coos Bay, Oregon**  
**EMERGENCY COMMISSION MEETING**  
**3:00 p.m., Monday, December 23, 2019**

Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

**ATTENDANCE**

**Commission:**

David Kronsteiner, President; Brianna Hanson, Treasurer; Bob Garcia, Secretary; and James Martin, Commissioner.

**Staff:**

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Brandon Collura, Charleston Harbormaster; and Mike Stebbins, Port Legal Counsel.

**Media & Guests:**

Nick Edwards, F/V Carter Jon; and Brian McLarrin, Pacific Seafood.

**1. CALL MEETING TO ORDER**

President Kronsteiner called the meeting to order at 3:00 p.m.

**2. INTRODUCTION OF GUESTS AND PORT STAFF**

**3. PUBLIC COMMENT**

Nick Edwards stated there are 15 shrimp boats fishing for Pacific Seafood during the summer. There is also the tuna, salmon, and albacore fleet to consider. Each of these vessels requires a significant amount of ice. Mr. Edwards stated people from Newport and Brookings travel to Charleston to get ice when they run out there. Getting ice from one of these other facilities to Charleston would be challenging, if it is even available in the summer.

Brian McLarrin of Pacific Seafood added that vessels have already been calling to inquire about access to ice. Revenue will be lost, not just from the ice sales but also the product itself. The fishing fleet needs the ability to obtain ice locally or may need to relocate elsewhere.

President Kronsteiner asked when the shrimping and salmon seasons start. Mr. Edwards stated vessels are looking to start fishing around the first of April, for both shrimp and salmon. There are also the bottom fishing vessels that will need ice. Hallmark Fisheries has been able to provide some ice but they have a limited quantity available and will need to supply their own vessels.

**4. ACTION ITEMS/REPORTS**

**A. 2019Res20: Ice Plant Declaration of Emergency**

On Friday, December 20, at approximately 7:45 a.m., as Port maintenance staff were making daily rounds of marina facilities, staff thought they saw flames within the Charleston Ice Plant building.

Staff immediately followed all emergency response protocol to deenergize the electricity and evacuate the building and immediate area. The appropriate authorities and emergency response teams were promptly notified and quickly arrived on scene.

Authorities quickly confirmed the Charleston Ice Plant was on fire. At 10 a.m., the Plant was declared a total constructive loss following the direction of local fire departments and the Regional Hazmat division. Under the guidance of local authorities, Port staff determined the best course of action was to let the Charleston Ice Plant fire run its course while first responders remained on standby. The Charleston Ice Plant fire was finally extinguished later in the afternoon.

Port staff immediately contacted the Port's insurance providers to discuss the next steps to provide temporary ice making operations, demolition/debris removal, and restoration/rebuilding. Under the guidance of Special Districts Association of Oregon, the Port's property insurance provider, the Port must immediately start any necessary emergency actions to mitigate loss to the Port and the community's fishing fleet.

Port Procurement Rule Sections 4.6 and 8.3 allows the Port Board of Commissioners, acting in its role as the Local Contract Review Board, to declare the existence of an emergency and authorize entry into emergency public improvement contracts in amounts exceeding \$200,000.00.

Commissioner Hanson asked the extent of damage to the dock. John Burns stated there are sections of the dock that were impacted by the fire, but the extent is not known at this time. The building was a total loss, and due to the damage of the structure beneath the building, it is possible the entire pier will need to be removed.

Commissioner Hanson asked the timeline for repairs. Mr. Burns stated the immediate need is securing the site and bringing resources in to prevent any access to the facility. That is being mobilized at this time. Insurance adjustors will need to inspect the site, which could then take several weeks to obtain approval for demolition. During that time, Port staff will look at any action needed to mitigate any possible additional damage to the environment or neighboring properties. Mr. Burns stated that Port staff have already begun work to identify an interim solution, which will move forward in conjunction with the demolition process and long-term reconstruction. Commissioner Hanson asked the source of funding. Mr. Burns confirmed the building was completely covered by insurance.

Upon a motion by Commissioner Martin (second by Commissioner Garcia), the Board of Commissioners motioned to adopt Resolution 2019Res20 declaring an emergency exists as a result of a fire that completely destroyed the Charleston Marina Ice Plant on December 20, 2019, and to facilitate emergency actions to secure, stabilize and replace the Charleston Marina Ice Plant. This resolution is being adopted in conformance with Oregon Public Contracting Statute ORS 279C dealing with the emergency exception to the competitive bid requirements. **Motion Passed.**

5. **OTHER**

6. **COMMISSION COMMENTS**

7. **NEXT MEETING DATE** – Tuesday, January 21, 2020, 6:30pm.

8. **ADJOURN**

President Kronsteiner adjourned the meeting at 3:13 p.m.



M E M O R A N D U M

**To:** John Burns, Chief Executive Officer  
**From:** Mary Green, Accounting Clerk  
**Date:** January 13, 2020  
**Subject:** Invoices Paid for Commission Approval through December 2019

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A/P checks issued per NetSuite financial system	1,281,711.11
Payroll disbursement per Umpqua Bank statement	146,357.40
Misc electronic disbursements per Umpqua Bank statement	497,770.16
<b>Total Disbursements</b>	<b><u>\$ 1,925,838.67</u></b>



M E M O R A N D U M

TO: John Burns, Chief Executive Officer

FROM: Megan Richardson, Accounting Manager

DATE: January 13, 2020

SUBJECT: December 2019 Contracts Awarded

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The following are bids that were awarded, and contracts authorized and signed by the Chief Executive Officer during the month of December. All solicitations comply with the requirements of the Port’s Local Public Contracting Rules 2.8.1-3.

The following projects are included in the appropriate fiscal year budget:

<b>Contract</b>	<b>Description</b>	<b>Cost</b>
Stantec Consulting	Change Order 2: Provide additional engineering, monitoring, construction management and testing services	\$6,345.55
Scott Partney Construction	Replace ties and surface the approaches to bridge at MP 736.3	\$26,834.00
<b>Total Contracts Awarded for this period:</b>		\$33,179.55

# **Management Reports**



M E M O R A N D U M

TO: John Burns, Chief Executive Officer  
 FROM: Lanelle Comstock, Chief Administrative Officer  
 DATE: January 13, 2020  
 SUBJECT: Administrative Services Management Report

**Upcoming Scheduled Meetings and Events:**

- Charleston Advisory Committee: Wednesday, January 15, 2020
- Martin Luther King Day – Offices Closed: Monday, January 20, 2020
- January Commission Meeting: Tuesday, January 21, 2020

**February Port Commission Meeting Date:** The regularly scheduled February Port Commission Meeting is scheduled on a Federal Holiday. Please be prepared to discuss an alternative date at the January Commission Meeting.

**Maritime Insurance Renewal:** The Port has renewed the following Maritime insurance policies for the 2020 calendar year:

Insurance Policy (Maritime)	Covered Risks	Expiring Annual Premium	Renewal Annual Premium
Dredge Operations	Errors & Omissions Liability, Commercial Pollution Liability for dredge activities	\$17,911.48	\$17,911.48
Maritime Protection, Indemnity & Hull	Liability & Physical Damage for scheduled watercraft	\$31,310.00	\$36,026.00
Excess Maritime Protection, Indemnity & Hull Coverage	Excess Liability & Physical Damage for scheduled watercraft	\$12,000.00	\$12,000.00
Vessel Pollution	Pollution Liability Indemnity for scheduled vessels	\$2,650.00	\$2,650.00
		\$63,871.48	\$68,587.48

**Property & Liability Insurance Renewal:** The Port renewed Property and Liability Insurance for the next two years (January 1, 2020 – December 31, 2021) with Special Districts Insurance Services. The 2020 annual premium has increased from \$96,158.00 to \$114,658.00. The increase is partially due to: 1) SDAO had all insured Port property valued over \$100,000 reappraised in June 2019, so the insurance rate is reflecting the newly appraised values, and 2) Additional vehicles and equipment were purchased throughout the previous year and added to the insured property schedule. This premium reflects the 14% (\$18,170) credit received for completing the 2019 SDIS Best Practices Program. With the two-year renewal, the Port will also receive a \$16,123 Longevity Credit, to be received in two split lump sum payments in January 2020 and January 2021, and the Port will only receive a maximum annual rate increase of 5% for the 2021 policy year.

The Accounting and Finance Department management report and monthly financial reports were not available at the time of publication. These will be provided at or before the January Commission meeting and included within February's meeting packet. We apologize for the inconvenience.



M E M O R A N D U M

TO: John Burns, Chief Executive Officer

FROM: Margaret Barber, Director of External Affairs

DATE: January 13, 2020

SUBJECT: Commercial/External Affairs/Marketing Management Report

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**Commercial:**

Staff continue commodity research efforts looking at a variety of industries, analyzing costs and determining competitive advantages.

Staff is conducting a cost analysis to determine differentials between moving products originating in the Northwest and Midwest through Coos Bay in comparison with other PNW ports.

Staff continue communications and meetings with existing rail customers to determine if there are opportunities to generate additional rail volume.

Staff had follow-up communication with three existing leads to get an update on project progress and responded to one new lead interested in developing facilities in Coos Bay.

**Marketing and Media:**

The end of year usually means advertising contract renewals and reviewing last year's marketing analytics. Staff has renewed 2020 Oregon Coast Visitor Association (OCVA) advertising for the Charleston Marina. OCVA is the official regional destination management group designated by Travel Oregon for the Oregon Coast. These ads include a placement in the Oregon Coast Visitor's Guide, year-round web ads on the OCVA website and a third quarter home page ad for the Charleston Seafood Festival. Staff is also working with Oregon Business to do a brand story for the Port in their February economic development issue.

Staff is working on an end-of-year analysis on the Port's digital communication platforms which include the Port's social media platforms, e-newsletter, website and media coverage for the past year.

Press releases gone out this past month include:

- [Port Responds to Charleston Ice Plant Fire](#)
- [We're Bringing Charleston to you at the 36<sup>th</sup> Annual Charleston Crab Feed](#)



The Port was featured or mentioned in the following publications this month:

- Multiple Outlets Regional and Statewide
  - [Man rescues 3 crabbers from sinking boat in Coos Bay](#)
  - [Charleston Ice Plant Fire](#)

Staff is working with the Infrastructure Support Services Department on getting decals ordered for the new fleet vehicles.

**Legislative/Advocacy Work:**

Staff attended the City of Coos Bay’s city council meeting on January 7, 2020 in support of the Jordan Cove Energy Project. The council voted in favor of approval of Jordan Cove’s minor channel modification land use application by a vote of 4-3.

Staff attended the Transient Lodging Tax work group at Coos County on January 7, 2020. The Charleston Merchants Association is working with Coos County to introduce a ballot measure in November of 2020 that would initiate a 9.5% Transient Lodging Tax in Charleston.

EA/BD staff and CEO John Burns attended a meeting with Brendan Finn, the Governor’s Transportation Advisor to provide an update on Port operations and future anticipated needs.

The Oregon Legislature’s 2020 short session will begin on February 3, 2020 and conclude on March 8, 2020. Staff are working with Markee and Associates to begin conversations with key members of the legislature on the Port’s priorities for the 2020 session.

**Port Property:**

EA/BD staff continue to work with Marina staff to develop a long-term plan for Charleston properties. Staff had two inquiries – one for the Point Adams facility and one for Building 30. The parties interested in Point Adams are going to determine the scale of their needs following this fishing season to determine if they would need a facility of that size. The inquiry expressing interest in Building 30 has submitted a credit check application, which was processed. Staff are awaiting submission of a business plan for review.

Pacific Seafood’s new lease on the Lazio dock was finalized on December 30, 2019.

Russell Marine has concluded their tank replacement project.

Verizon continues to work through their permitting process with the City of Coos Bay. The lease document is in its final form but will not be executed until Verizon’s staff have completed their regulatory review with the city to ensure that they can obtain a conditional use permit at the site. Maritime Ops staff met with a consultant on site the week of January 6, 2020 completing the cultural heritage and environmental work for Verizon.

Staff worked with a tenant that offloads product at the former ice dock to establish an alternative location to hoist crab while a long term solution is developed.

**Community Outreach:**

Staff attended the monthly CCEC and Fishermen Memorial Committee meetings. Due to decrease in membership, this may be CCEC's last year of putting on the Charleston Oyster Feed. Staff has committed to gathering volunteers and advertising for the event.

Staff is assisting the Charleston Merchants Association with advertising for the annual Charleston Crab Feed on February 8, 2020.

Staff continues to sit on the marketing committee for the South Coast Regional Tourism Network which provides input to Travel Oregon as they roll out new tourism branding for Oregon Coast.

Staff developed two stakeholder lists for communications updates related to progress on the icehouse rebuild as key milestones are met. One list is comprised of Charleston stakeholders, and the other is legislative contacts and community leaders.



M E M O R A N D U M

TO: John Burns, Chief Executive Officer

FROM: Jake Jacobs, Infrastructure Support Services Director

CC: Mike Dunning, Patrick Kerr, Megan Richardson, Margaret Barber, Lanelle Comstock

DATE: January 13, 2020

SUBJECT: Infrastructure Support Services Division (ISSD) Management Report

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**Coos Bay Rail Line:**

**Tunnel Rehab Phase II (30% Complete):**

Scott Partney Construction has updated their plans to begin installation of new track, ties, OTM and ballast at tunnel 20 beginning on January 7, 2020. Tunnel 21 final has been on hold due to holiday schedule and a bridge closure; work has resumed, the new completion date is January 10, 2020. SPC began welding track within tunnel 21 and plans to continue through the weekend of January 4-5, 2020 to complete prior to delivering balance of required ballast rock scheduled for January 6, 2020.

**Bridge 730.54:**

On December 9, 2019 CBRL crews noticed sagging issues with the bridge. CBRL contacted Gene Davis of Stantec to get his recommendation. Stantec recommended a slow order on the bridge until it could be repaired. Scott Partney Construction was selected following contacts from other vendors. On December 19, 2019 the bridge repairs were completed and the bridge was placed back into full service.

**Bridge 729.04:**

On December 17, 2019 CBRL requested assistance from ISSD to replace 3 stringers at span 20 that were rotten. ISSD contacted 3 vendors with an RFP to perform the work. Scott Partney Construction was the only vendor available to perform the work. On December 27, 2019 the bridge was repaired and placed back into full service.

**Grant Funded Rail Equipment Purchase:**

**Hi-Rail Back Hoe:**

This equipment, a Caterpillar 430 iF, was accepted and training conducted on operations of the vehicle and the hi-rail system. Caterpillar and Vancer Inc. sent two certified instructors to conduct training for CBRL. Training included verbal description and hands on demonstration/oversight. ISSD and CBRL were introduced to the local Caterpillar dealer (Peterson CAT) and provided

points of contact for warranty work and unscheduled maintenance.

**20 Ton Equipment Trailer:**

The trailer is currently going through the identification and registration process for DMV. The trailer has passed the DOT inspection.

**Hi-Rail Material Handler:**

ISSD has taken delivery of this equipment. It has received pro-active critical engine maintenance as recommended by the Navistar Dealer. The vehicle is currently going through the identification and registration process for DMV. Peterson Caterpillar in North Bend has been retained as a certified trainer for the vehicle's self-drive system. Training for CBRL personnel will be coordinated after inspection of the self-drive system. ISSD Rick Adamek will conduct Crane certification training with CBRL prior to use of the vehicle.



**Charleston Marina:**

**Upgrade Security Cameras System at Marina and Shipyard:**

Three vendors have been contacted and provided with an RFP. Proposals are due to ISSD on January 10, 2020.

**Maritime Operations:**

ISSD is working with Mike Dunning to provide additional documentation for the MARAD Build Grant, NEPA Compliance, ESA Section 7 Compliance, and Section 106 Compliance study being conducted by Greg Matuzak Environmental Consulting LLC.

Chris Cranford has picked up the SDAO Safety Grant program for a Hazardous material storage shelter and will work with Maritime Operations and the Charleston Marina to procure the appropriate Hazardous material storage shelter.

**Admin:**

ISSD has accepted requests for the following:

- Ice Making equipment replacement options (Market Research)
- Bus. Oregon Grant, Marina Picnic Tables (50% Complete)
- Bridge Repair Task Order Contracts (Award ready for CEO review-Source Selection Sensitive)

- RFP property acquisition at Vaughn Rail Bridge (On going)
- Marina and Shipyard Camera system upgrades (On solicitation)
- ODOT 2013 Grant, fully expended (Closed December 31, 2019)
- Port Vehicle Purchase (Complete)
- Fleet Management Program (Developmental Phase)
- Centralized Purchasing (Developmental Phase)
- Unplanned Rail Bridge Repairs (MP 730.1, MP 729.04, and MP 736.54)

**Crane Training:**

Crane training for use of the knuckle boom grappler crane is anticipated to start in January 2020.

**Coalbank Slough Bridge:**

ISSD and CBRL continue to communicate for inspections during use prior to moves across this bridge. Inspections are in accordance with Stantec requirements for safe use.

**North Bend Swing Span Bridge:**

On December 17, 2019 the ISS department conducted its first monthly inspection of the multiple locations as required by our Engineer of Record – Stantec. These monthly inspections will continue until the issues have been resolved. There are a total of 10 locations that will require this monitoring. Rick Adamek has been selected to perform these inspections and will work with CBRL to turn the bridge and gain the required access.

**Oregon Parks and Rec. Grant – Charleston Marina RV Park Picnic Table Replacement:**

The ISS department obtained three competitive quotes and selected the vendor. The 55 picnic tables have been ordered and have an 8-12 week lead time, with the tentative arrival in late January or early February 2020. The Charleston Marina maintenance staff will assemble the tables and place them in the RV Park as soon as staffing and workload allows after the tables arrive.

**On-Call Bridge Repair RFQ:**

The Request for Quotes for the On-Call Bridge Repair was posted to the Port’s website, sent to five probable vendors and listed in the local newspaper, and The Daily Journal of Commerce. ISSD posted two addendums as a response to vendor questions. The solicitation closed on time on December 31, 2019 without extension or request for extension. Two proposals were received and determined to be complete per the RFP. Evaluations were conducted, the results have been organized and sent to the CEO for review prior to legal determination of award eligibility.



M E M O R A N D U M

TO: John Burns, Chief Executive Officer

FROM: Mike Dunning, Director of Maritime Operations

DATE: January 13, 2020

SUBJECT: Port Operations Management Report

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**Channel Modification Project:**

The PDT received all of the 204/408 comment responses from the Corps and continues to evaluate and develop responses for any outstanding issues and/or areas that need more explanation. Many of the open comments are editorial in nature and require little effort to resolve. The substantive comments that remain open relate to the Construction Implementation (CI) Report and the Risk Management Plan (RMP). The CI report is undergoing minor revision and will be resubmitted to the Corps after PDT review. RMP is being developed by the PDT in coordination with the Portland District. In short, this document will establish monitoring procedures to be followed before, during, and after construction. It will include monitoring for infrastructure and the environment. More importantly, it will identify the different types of responses to changes, based on the levels of change observed.

**Eastside Force Main Project:**

The City's contractor is still working on the Eastside force main project. Once the project is complete, staff will ensure that all of the post construction requirements for the restoration of Port property are met.

**Build Grant (NEPA):**

The Port's consultant continues to work on the National Environmental Protection Act (NEPA) requirements, which are required before the grant can be fully executed. The Biological Assessment (BA) has been submitted to MARAD for review. Once the BA is reviewed by MARAD, consultation will begin with National Marine Fisheries Service.

There are only two project sites that require in-water work: Vaughn Viaduct and Coalbank Slough. The permitting work for the Vaughn Viaduct project was near completion last year and is essentially ready for permits to be issued. The Coalbank Slough project will require the removal and replacement of piling to complete the project. Overall, we believe there will be a net environmental gain with the replacement of the bridge. The project will remove numerous treated piles and replace them with fewer steel piles and concrete spans.

**Charleston Sediment Characterization:**

Sediment sampling is scheduled for early February. Sediment samples will be taken using vibracore technology. Once the samples are taken throughout the Marina Complex, they will be sent to a certified lab for testing. The test results will then be analyzed and a Sediment Characterization Report (SCR)

will be drafted by the Port's consultant and submitted to the Portland Sediment Evaluation Team (PSET) for review.

**Charleston Security Cameras:**

The new camera system bids are under review by Port staff and we should have a path forward in the near future.

**Miscellaneous:**

On January 8, 2020 I attended the Oregon Freight Advisory Committee (OFAC) meeting in Salem. This committee is comprised of public and private stakeholders who serve in an advisory nature to the Oregon Transportation Commission (OTC). While at the meeting, I accepted a nomination to serve on the Board as a member representing Maritime Transportation. The nomination will be sent to the Director of ODOT for final approval and acceptance. While at the meeting, there was discussion about the development of a Marine Transportation Plan for the state of Oregon. The State currently does not have a Marine Transportation Plan in place.



MEMORANDUM

TO: John Burns, Chief Executive Officer

FROM: Brandon Collura, Harbormaster

DATE: January 13, 2020

SUBJECT: Charleston Operations Management Report

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The Marina finished the month of December at 55% capacity, up 10% from November. Of the 443 moorage slips, we had 174 annuals, 20 semi-annuals, 43 monthlies and 285 transients. All categories increased apart from semi-annuals to end the year.

No ice was sold in the month of December due to the annual maintenance shut down period and later the Charleston Ice Plant fire on December 20, 2019.

The RV Park had 26% capacity in December, up 5% from November. Out of 104 RV Park spaces, we had 52 new check-ins for total sales of \$17,092.57.

**Dredge Project:**

Mobilization for the dredging of the Port of Siuslaw began on Monday, December 16, 2019. The MOB process took a few days longer than expected due to ongoing weather conditions in Florence. Operations will begin the week of January 13, 2020 and are expected to last until the end of the in-water work window in Florence, February 15, 2020.

**Ice Plant Fire & Rebuild Project:**

On December 20, 2019, the Charleston Marina Complex Ice Plant burned down. While the investigation into the cause of the fire is still ongoing, great efforts are being made regarding the planning and rebuilding of the Ice Plant at the marina property. Various firms have been engaged covering all aspects of the project scope and updates will be made known as progress continues.

**RV Park Picnic Table Project:**

55 picnic tables (5 ADA) are due to arrive toward the end of January or early February for the RV Park. These new fully poly-material tables will replace the old wooden tables. This project is the result of the Port being awarded the 2019 LGGP Grant from the OPRD. The replacement of these tables will greatly enhance the RV Park for the upcoming 2020 summer season and for years to come.







M E M O R A N D U M

TO: John Burns, Chief Executive Officer

FROM: Patrick Kerr, Director of Rail Operations

DATE: January 13, 2020

SUBJECT: Railroad Department Management Report

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**Operations:**

CBRL handled 303 revenue car loadings for December 2019. December 2019 car loadings were below November 2019, by 45 cars and below by 280 cars from the 2019/20 CBRL forecasted monthly average of 583 cars. December 2019 was below December 2018 of 399 cars by 96 cars.

CBRL finished 2019 with 4,952 carloads, which is 1,476 cars or 23% below 2018 total of 6,428. Fiscal year 2019/20 carloads are 2,050 averaging 341 cars per month on a plan of 7,000 and 583 cars per month. Current fiscal year run rate is 4,092 cars, about 42% below plan.

CBRL serviced our newest rail customer in Coos Bay by spotting the first rail cars at the GMA facility. Resurgence of rail traffic and diversity of products being served by the rail line is key to the region and longevity of rail access.

CBRL maintenance of way crews continue to work on track repairs, replacing ties, ditching, culverts, hazard tree removal and right of way cleanup.

CBRL car repair continues to focus on inspections and repair services for inbound and outbound traffic.

CBRL mechanical department is doing a good job with on-going locomotive maintenance, scheduled 92-day service and responding to and repairing reported locomotive issues online. CBRL locomotive 1859 was shipped from being serviced and painted in Washington State; unit is in route at Portland on its way to Eugene for interchange with CBRL and onboarding.

Repairs and service were completed on the CBRL 1909 in Prineville; locomotive has been interchanged and is currently in route to Eugene for interchange with CBRL and onboarding. Once CBRL has both the 1859 and 1909 onboard, current leased units will be returned and CBRL will be operating using its own fleet of locomotives.

CBRL received and put into service two crew hauler fleet vehicles for the Coos Bay and Noti crews.

Port staff met with existing customer on their forecasted carloads and service plans for 2020.

Port staff also met with local agencies regarding interactions, planning and possible crossing safety projects for 2020.

Port and CBRL staff hosted a luncheon for our rail customers to recap and discuss the first year of operations performance, assets acquired, work done along the line, investments, rail volume, customer feedback (strengths, areas for improvement), interaction with regulatory agencies and tariffs.

Port staff continue to work with rail customers on infrastructure and capacity improvements.

Port staff attended the monthly LaneAct meeting in Springfield discussing area transportation needs and future impacts.

### **Coos Bay Rail Line:**

As of January 8, 2020 the CBRL is 110 days' injury free. The CBRL had 1 incident during the month of December. Currently CBRL has 17 employees and 8 locomotives on property.

### **Tunnel Project Phase II:**

Tunnel 21 – SPC installing new ballast rock and adjusting height of new rail. On January 3-4, 2020 SPC crews completed welding rail within the tunnel.

Tunnel 20 – Scheduled to begin track replacement as of January 6, 2020. All materials are pre-staged at the southern portal.

Tunnel 15 – SPC began loading out excavated material for disposal at Greenhill Reload.

Contract Time = 443 Days, NTP = August 16, 2019

Final Completion = November 1, 2020, SPC's estimated completion date = November 04, 2020

Estimated % Complete by Contract Time = 32% (140 Days / 443 Days)



Photo: CBRL 2020 pulling the end of year interchange into the UPRR Eugene yard on December 31, 2019.

# Action Items

**OREGON INTERNATIONAL PORT OF COOS BAY  
BOARD OF COMMISSIONERS  
ACTION/DECISION REQUEST**

**DATE:** January 13, 2020

**PROJECT TITLE:** Fiscal Year-End June 30, 2019 Financial Report

**ACTION REQUESTED:** Approval of the annual financial report for Fiscal Year 2018/2019

**BACKGROUND:**

Moss Adams has completed the annual financial report on behalf of the Oregon International Port of Coos Bay for fiscal year ending June 30, 2019.

The financial statements are presented in accordance with the financial reporting model in the Governmental Accounting Standard Board (GASB) Statement No.34.

There were no adjustments that had a material effect on the Port's reporting process. There were also no material weaknesses or reportable conditions for internal control, or any instances of non-compliance to the general-purpose financial statements.

Ms. Amanda McCleary-Moore of Moss Adams will attend this Commission meeting to present the audit. A copy of the audit has been provided to Commissioners for review.

**RECOMMENDED MOTION:**

Approve the annual financial report for Fiscal Year 2018/2019.

**Other**

# **Informational Items**

**Coos Bay Rail Line serving western Lane, western Douglas and Coos Counties in Southwest Oregon** Owned and Operated by the Oregon International Port of Coos Bay, Operations by the Coos Bay Rail Line Inc.

**Monthly Revenue Car Loads and Equivalent Highway Truck Loads / 2015 - 2019**

One (1) revenue car load = 3.3 highway truck loads

Month	2015		2016		2017		2018		2019	
	Railcar Loads	Equivalent Truck Loads	Railcar Loads	Equivalent Truck Loads	Railcar Loads	Equivalent Truck Loads	Railcar Loads	Equivalent Truck Loads	Railcar Loads	Equivalent Truck Loads
Jan	633	2,088.9	594	1,960.2	528	1,742.4	580	1,914.0	611	2,016.30
Feb	609	2,009.7	691	2,280.3	520	1,716.0	618	2,039.4	465	1,534.50
March	685	2,260.5	678	2,237.4	536	1,768.8	627	2,069.1	548	1,808.40
April	636	2,098.8	618	2,039.4	582	1,920.6	574	1,894.2	521	1,719.30
May	446	1,471.8	646	2,131.8	727	2,399.1	623	2,055.9	439	1,448.70
June	644	2,225.2	653	2,154.9	721	2,379.3	594	1,960.2	318	1,049.40
July	693	2,286.9	529	1,745.7	593	1,956.9	602	1,986.6	346	1,141.80
Aug	573	1,890.9	645	2,128.5	601	1,983.3	602	1,986.6	329	1,085.70
Sept	555	1,831.5	607	2,003.1	615	2,029.5	472	1,557.6	299	986.70
Oct	662	2,184.6	682	2,250.6	616	2,032.8	469	1,547.7	425	1,402.50
Nov	530	1,749.0	514	1,696.2	565	1,864.5	268	884.4	348	1,148.40
Dec	675	2,227.5	594	1,960.2	569	1,877.7	399	1,316.7	303	999.90
<b>Annual</b>	<b>7,341</b>	<b>24,225.30</b>	<b>7,435</b>	<b>24,535.50</b>	<b>7,173</b>	<b>23,670.90</b>	<b>6,428</b>	<b>21,212.40</b>	<b>4,952.00</b>	<b>16,341.60</b>

Start up: 2011 4th Quarter / Oct – Dec: 194 railcar loads / 640.2 equivalent truck loads

2012 Full Year: 2,480 railcar loads / 8,184.0 equivalent truck loads.

2013 Full Year: 4,845 railcar loads / 15,988.5 equivalent truck loads.

The Coos Bay rail line Owned and Operated by the Oregon International Port of Coos Bay, Operations by the Coos Bay Rail Line Inc.

Coos Bay Rail Line-CBRL operates at the U.S. shortline railroad industry standard of 286,000 lbs/143 short tons (weight of car plus commodity weight) per loaded revenue car. The majority of cars currently moving on the rail line weigh 66,000 to 86,000 lbs/33 to 43 short tons, resulting in a carrying capacity of 200,000 to 220,000 lbs/100 to 110 short tons.

Using 200,000 lbs/100 short tons as an average weight of commodity per rail car, the tonnage figures for the years 2011 through year to date 2019 are as follows:

2011-2013:	7,519	revenue car loads =	751,900	short tons
2014:	7,509	revenue car loads =	750,900	short tons
2015:	7,341	revenue car loads =	734,100	short tons
2016:	7,435	revenue car loads =	743,500	short tons
2017:	7,173	revenue car loads =	717,300	short tons
2018:	6,428	revenue car loads =	642,800	short tons
2019:	4,952	revenue car loads =	495,200	Short Tons

\*The Coos Bay rail line was embargoed by the previous owner/operator in September 2007. The Port acquired the 111-miles of the line owned by RailAmerica, Inc. in spring 2009 through an order from the U.S. Surface Transportation Board at the completion of a Feeder Line Application process initiated in July 2008. The Port acquired the Union Pacific (UP) Railroad owned 23-mile section of the line through a negotiated agreement with UP in late December 2010.

**Coos Bay Rail Line-CBRL 104 days injury-free as of January 1, 2020!**